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AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley
Auditor-Controller

**SUBJECT: LOS ANGELES HOMELESS SERVICES AUTHORITY QUARTERLY
FINANCIAL REVIEW**

We have completed our first quarter review of the Los Angeles Homeless Services Authority (LAHSA). The purpose of our review was to assess the internal controls over LAHSA's fiscal operations, including revenue, disbursements, contracting, and budgeting.

As part of our review, we interviewed LAHSA staff and contractors, reviewed LAHSA procedural manuals and program guidelines, and examined fiscal documentation to support compliance with LAHSA's required procedures and the County Fiscal Manual.

Background

On February 13, 2001, both your Board and the Los Angeles City Council approved the Amended and Restated Joint Powers Agreement (JPA) between the County and City of Los Angeles that granted LAHSA fiscal autonomy from the County. The new JPA requires the Auditor-Controller to conduct a quarterly financial review of LAHSA's accounts and records for the succeeding twelve months and a semi-annual review during the second and third years.

Results of Review

Our financial review noted that LAHSA is complying with established fiscal policies and procedures, and adequate separation of duties exist in the fiscal areas we reviewed. For example, LAHSA closely monitors all grantor funding requests to ensure funds received are properly identified and deposited timely. Also, bank reconciliations are performed monthly with reconciling items adequately documented and dispositioned.

In addition, each LAHSA service provider is reviewed annually for compliance with their contract.

Finally, we noted that in April 2001, LAHSA's independent auditors issued a report that noted LAHSA's internal controls over its cash function (e.g., collections, deposits, reconciliations, etc.) are adequate and that the organization's fiscal operations contain proper segregation of duties.

If you have any questions, please call me or have your staff call DeWitt Roberts at (213) 974-0301.

JTM:DR:DC

C: David E. Janssen, Chief Administrative Officer
Los Angeles Homeless Services Authority
Mitchell Netburn, Executive Director
Siri Khalsa, Chief Financial Officer
Violet Varona-Lukens, Executive Officer
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